GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1839
ANSWERED ON:29.11.2007
REVIVAL OF HEC
Murmu Shri Hemlal

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government has formulated any action plan to complete the revival work of Heavy Engineering Corporation (HEC), Ranchi;

(b) if so, whether any talks have been held with the Union Government, State Government and others in this regard;

(c) if so, the details thereof; and

(d) the infrastructure and financial assistance provided by the State Government and others for revival of HEC ?

Answer

MINISTER OF STATE IN THE DEPARTMENT OF HEAVY INDUSTRY, MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a): Yes Sir. The Government has already formulated a revival plan for HEC.

(b) to (d): Yes Sir. Revival and Financial Restructuring of the Company was approved by the Government in December, 2005 and subsequently by High Court of Jharkhand in February, 2007. The total cost of the revival package was Rs. 2121.30 crore (excluding Government Guarantee of Rs. 150 crore) to be shared by Government of India and Government of Jharkhand. Government of India has already provided financial assistance of its part for Rs. 1218 crore(conversion of plan loan into equity Rs. 15.27 crore, waiver of non-plan loan and interest on plan and non-plan loan of Rs. 1101.03 crore and bridge loan of Rs.102 crore) and Government Guarantee of Rs.150 crore has also been provided. The revival plan was lastly discussed between Government of India and Government of Jharkhand on 10.5.2007. Government of Jharkhand was requested to release its share of the package as per order of the High Court of Jharkhand. The State Government of Jharkhand is yet to provide any assistance as envisaged in the revival plan.